

DRS Advisory Committee

Interim Summary

November 14, 2014

Interim Proposals before the SCPP

Creating an Optional Life Annuity Benefit for Members

This idea would allow members to use funds from certain tax-qualified plans to purchase a life annuity from their trust fund at the time of retirement. The L2 Board proposed a similar bill last year that was signed into law.

Modifying PERS Retiree Return to Work Requirements

ESHB 1981 of the 2011 session modified the return to work rules for PERS retirees. This proposal would correct some unintended consequences of those statute changes to ensure that:

- PERS retirees who return to work in ineligible positions would not be subject to the 867 hour limitation.
- PERS Plan 2 or Plan 3 retirees who return to work in eligible positions covered by other DRS administered systems would be eligible to work up to 867 hours before their benefit is suspended.

Expanded PSERS Membership for Certain DSHS Employees

Stakeholders are working on a limited expansion of PSERS eligibility to include certain DSHS employees who work in positions for institutions that carry the responsibility to ensure the physical safety and custody of patients or others.

Modifications to the 2008 ERF Restrictions for Certain Plan 2/3 Retirees

Stakeholders have requested the SCPP consider legislation that would modify the return to work restrictions for retirees who are younger than age 65 and retired using the enhanced early retirement factors.

Other Pension Related Activity

Pension Funding Council Adopts Rates

The PFC adopted rates that included recommended changes based upon the demographic experience study, including improved mortality assumptions, but chose to phase in the impact of the those mortality assumptions over the next three biennia. Below are the rates adopted by the PFC for the next biennia. These rates could be changed by the Legislature.

	Percent of Member Pay	
	Employer	Plan 2 Member
<i>Effective July 1, 2015</i>		
Public Employees' Retirement System	11.00	6.12
Law Enforcement Officers' and Firefighter Retirement System Plan 1	0.00	n/a
Washington State Patrol Retirement System	8.01	6.69
Public Safety Employees' Retirement System	11.36	6.59
<i>Effective September 1, 2015</i>		
Teachers' Retirement System	12.95	5.95
School Employees' Retirement System	11.40	5.63
<i>(These rates do not include the DRS administrative fee.)</i>		